
Minutes
Special Work Session
May 1, 2013

Present: Mayor Kenneth Neilson, Councilmen Bill Hudson, Thad Seegmiller, Kress Staheli, Jeff Turek, Ron Truman, City Manager Roger Carter, Public Works Director Mike Shaw, Leisure Service Director Barry Blake, Fire Chief Brent Hafen, City Treasure Kerry Wheelwright, Administrator Service Manager Kimberly Ruesch, Finance Director Brian Brown, Utilities Supervisor Aaron Olson, Police Chief Jim Keith, City Recorder Danice Bulloch, Community Development Director Drew Ellerman, HR Director Ruth Holyoak, IT Director Steve Whittekiend

Meeting Commenced at 6:06 P.M.

Discussion on 2014 FY Budget. Roger Carter, City Manager

City Manager Roger Carter reviewed the proposed 2014 FY Budget.

Council members discussed the potential sales tax revenue from the undeveloped commercial parcels.

Councilman Seegmiller commented since he has been on the Council, he has seen many businesses close.

Councilman Staheli noted Washington City is house poor due to the Community Center and the Golf Course.

Councilman Seegmiller stated there are many employees with cell phones. He would like to know if there is a possibility of reducing those costs if the employee sits at a desk all day.

City Manager Carter explained it is left to the Department Head to determine if individual employees require a cell phone.

Administrative Services Manager Kimberly Ruesch addressed the bank charges within the budget.

Councilman Truman asked why there is such a deficit in the Community Center budget.

Ms. Ruesch explained there is not necessarily a deficit. She feels the department was over optimistic in what the revenues would be. Therefore, they have been asked to cut their budget accordingly.

City Manager Carter explained the need for the youth programs, at a subsidised cost to the City.

Councilman Truman commented in difficult economic times, the need should be reassessed.

City Manager Carter then reviewed there are some change happening with affordable care, which will make it necessary to update our personnel handbooks. Therefore, we have included printing costs for new handbooks for all employees.

Councilman Turek asked why the snack bar lease had been reduced at the golf course.

Leisure Services Director Barry Blake explained we charge a base cost only for the utilities and a percentage of sales from the snack bar.

Ms. Ruesch stated there is a lease agreement with the snack bar at the Golf Course, however it is not a specific amount, and we have failed to meet the projections in previous years.

Councilman Turek stated he would be more comfortable with a hard lease dollar amount of the snack bar, as we are not maximizing the revenue at the golf course.

City Manager Carter continued his review of the proposed budget.

Councilman Hudson stated in reviewing the line items for the budget he would prefer not to receiving a Christmas gift.

It was the consensus of the Council to remove from Human Resource budget the line item designating Christmas Gifts for Council and Commission.

Councilman Hudson asked when our contract with Baja would end and if they would be willing to reduce our costs.

IT Director Steven Whittekiend reviewed the Baja Broadband information with Council explaining they would not reduce the cost but they agreed not to raise the cots. We are also nearing completion on the interlinx project, which will significantly reduce our costs.

Councilman Turek commented he has been checking into privatizing building inspections, as it would provide better service to our residents, and cut the costs to the City significantly for phones, vehicles, and full time pay. This is something Council may want to check into in a future meeting.

Councilman Hudson would agree with having the item on an agenda in a future meeting.

Councilman Truman added the review should be on any of the services we offer, if it can be contracted to get a better service for less money, as in the snack shop, he is all for this.

Councilman Seegmiller noted he would like move the benefits package to 80/20 as recommended by the Staff.

City Manager Carter reviewed the Human Resource Budget including benefits, wages, and retirement.

Councilman Seegmiller stated he would not recommend allowing for a pay increases this year. He would prefer keeping the wages as they are at this point, and not use any of the fund balance for employee pay.

Councilman Turek commented this is the purpose of the fund balance. To pick up the costs when we are in the negative years, and we are still very healthy in our fund balance.

City Manager Carter reviewed the purpose of fund balance with Council, which is regulated by State Law. He then continue his review of Human Resources including personnel.

Councilman Truman stated he would agree with Councilman Seegmiller. The general population is not seeing pay increases and the same types of benefit packages.

Councilman Staheli suggested giving pay increases to those individuals who are below 100% of their current position, and take away pay increases for those who have been here longer and are at or above 100% of their value.

Councilman Seegmiller clarified there have been no raises for employees about 100% for 6 years.

City Manager Carter stated this is correct.

Councilman Hudson commented with the pension increases there is already a very large increase. He would struggle to give any type of pay increase, especially when we have people trying to do business in our City, and cannot even get a building permit for a month. How do we provide increased services if all of our extra budget goes to pay increases.

Councilman Staheli stated employee morale is important. If we are asking more and dropping back benefits, then there should be some incentive to stay with Washington City.

Councilman Truman stated employees would prefer to keep the insurance and forgo the pay raise. If employee moral is what we are concerned about, then we should keep the benefits and forgo the raises. However, the budget reflects we should not do either.

Councilman Hudson stated Washington has a much greater benefit package than other cities. There are no other Cities who have a benefit package of 50 percent.

City Manager Carter noted many other cities do not include social security, and FICA in their benefit plan, which Washington City does. They have those incurred as a cost to payroll, which would show in a completely different area of the budget. Council does need to be very careful they are including like packages, as he knows our neighboring cities do not include these totals in benefits.

Councilman Truman commented not many private sector jobs offer 401k with no contribution as Washington City does.

Councilman Seegmiller stated Washington City offers a very nice benefit package, and many people in the private sector would be very happy to have a job with the City.

Council discussed the fund balance totals along with current bonds and outstanding debts for Washington City.

Councilman Turek stated he would support the budget as it is shown. He feels the employees should be shown appreciation for all of their hard work. If the rest of the Council would prefer to not give a 2% cost of living increase, then he would recommend keeping the benefit package as it was at a 90/10.

Councilman Truman stated he feels the employees should feel appreciated by their benefits package.

Councilman Turek stated they would not feel appreciated if they were getting something taken away without any benefit to it. Staff spends a considerable amount of time on the budget process, and we should trust what is being presented.

Councilman Staheli commented he feels the budget is good, and he would support the budget as presented at this time.

Councilman Turek agreed.

Councilman Hudson discussed the Building Department staffing. He feels their department is not functioning as well as it should. If there were an option, he feels they need an additional employee. He would prefer to not give any raises, and put the money back into the fund balance.

Council discussed the options of hiring new employees as opposed to having contracted employees.

Ms. Ruesch explained the pros and cons of having full or part-time staffed employees, as opposed to contracted individuals.

City Manager Carter recognized how grateful the Washington City employees have been for their pay and benefits. We are very fortunate to have the Staff we have had, they have been willing to take on many extra responsibilities at no benefit to themselves, and you definitely lose something when you chose to dilute their value.

Councilman Seegmiller stated he would prefer holding off on giving the employees raises at this time.

City Manager Carter stated if the raises are not given, then all of the money would have to go back to the fund balance until such time it could be allocated. This would be a stepped back budget from the previous year as benefits have been cut back, and no raises have been given. He will bring this new revised version back to Council at the upcoming meeting.

Councilman Staheli made a motion to adjourn the meeting. Councilman Turek seconded the motion; which passed with the following roll call vote:

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| <i>Councilman Hudson</i> | <i>Aye</i> |
| <i>Councilman Seegmiller</i> | <i>Aye</i> |
| <i>Councilman Staheli</i> | <i>Aye</i> |
| <i>Councilman Truman</i> | <i>Aye</i> |
| <i>Councilman Turek</i> | <i>Aye</i> |

Meeting adjourned at 9:35 P.M.

Passed and approved this 22nd day of May 2013.

Attest by:

Danice B. Bulloch
Danice B. Bulloch, CMC
City Recorder



Washington City

Kenneth F. Neilson
Kenneth F. Neilson, Mayor